

[STB Finance Docket No. 32841 (Sub-No. 1)]**East Texas Central Railroad, Inc.—
Operation Exemption—Northeast
Texas Rural Rail Transportation
District**

East Texas Central Railroad, Inc. (ETC) has filed a verified notice of exemption under 49 CFR 1150.31 to operate a total of approximately 38 miles of rail lines as follows: (1) approximately 31.0 miles of rail lines owned by Northeast Texas Rural Rail Transportation District (NETEX) beginning at milepost 524.0, located approximately 6.2 miles west of Sulphur Springs, TX, and proceeding in a westerly direction through the Counties of Hopkins and Delta to milepost 555.0 at Simtrott in Hunt County, TX; and, (2) approximately 7 miles of rail line owned by the St. Louis Southwestern Railway Company between milepost 524.0 and milepost 517.0, pursuant to trackage rights acquired by NETEX for the purpose of interchanging and switching at Sulphur Springs, TX. ETC entered into an agreement with NETEX to perform these rail operations, which commenced in April 1996. Due to an oversight, ETC did not file a verified notice of exemption with the Board prior to commencing its rail operations. ETC, a noncarrier prior to commencement of operations, now seeks to correct this error by filing this notice involving the class exemption under 49 CFR 1150.31. The effective date of this exemption is September 8, 1996.

On September 3, 1996, the shares of ETC were to be acquired by Southern Railway Services, Inc. (SRS), a noncarrier that is not in control of any other carrier. ETC states that the sale of its stock to SRS will not have any impact on its continuing obligation to provide rail operations under its agreement with NETEX.

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 32841 (Sub-No. 1), must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1201 Constitution Avenue, N.W., Washington, DC 20423 and served on: Richard H. Streeter, Barnes & Thornburg, 1401 Eye Street, N.W., Suite 500, Washington, DC 20005.

Decided: September 20, 1996.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

[FR Doc. 96-24704 Filed 9-26-96; 8:45 am]

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[STB Finance Docket No. 33042]**Richard B. Webb and Susan K. Lundy—Continuance in Control
Exemption—Palouse River & Coulee
City Railroad, Inc.**

Richard B. Webb and Susan K. Lundy (Applicants), have filed a notice of exemption to continue in control of Palouse River & Coulee City Railroad, Inc. (PRCC), upon PRCC's becoming a Class III rail carrier. The transaction was to have been consummated on or after the September 4, 1996 effective date of the exemption.

PRCC, a noncarrier, has concurrently filed a notice of exemption in *Palouse River & Coulee City Railroad, Inc.—Acquisition Exemption—Burlington Northern Railroad Company*, STB Finance Docket No. 33041, to acquire approximately 277.3 miles of rail lines of Burlington Northern Railroad Company, in the States Washington and Idaho.

Applicants control one other nonconnecting Class III rail carrier—South Kansas and Oklahoma Railroad Company (SKO)—which operates lines in the States of Kansas and Oklahoma.² Applicants state that: (1) PRCC will not connect with SKO; (2) the continuance in control is not part of a series of anticipated transactions that would connect the two railroads; and (3) the transaction does not involve a Class I railroad. The transaction therefore is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III railroad carriers. Because this transaction involves Class III rail

¹ The ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803, which was enacted on December 29, 1995, and took effect on January 1, 1996, abolished the Interstate Commerce Commission and transferred certain functions to the Surface Transportation Board (Board). This notice relates to functions that are subject to Board jurisdiction pursuant to 49 U.S.C. 11323-24.

² See *South Kansas and Oklahoma Railroad, Inc.—Acquisition and Operation Exemption—The Atchison, Topeka and Santa Fe Railway Company*, Finance Docket No. 31802 (ICC served Jan. 9, 1991).

carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33042, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1201 Constitution Avenue, N.W., Washington, DC 20423 and served on: Karl Morell, Ball Janik LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005.

Decided: September 19, 1996.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,
Secretary.

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[STB Finance Docket No. 33041]**Palouse River & Coulee City Railroad,
Inc.—Acquisition Exemption—
Burlington Northern Railroad Company**

Palouse River & Coulee City Railroad, Inc. (PRCC), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire approximately 277.3 miles of rail lines owned by Burlington Northern Railroad Company (BN) as follows: between the C.W. Subdivision milepost 1.0 north of Cheney, WA, and the western end of the rail line at C.W. Subdivision milepost 108.8 in Coulee City, WA; between the Palouse Subdivision milepost 1.0 south of Marshall, WA, and the southern end of the rail line at Palouse Subdivision milepost 123.5 at or near Arrow, ID; and between WIM Subdivision milepost 0.0 at Palouse, WA, and the eastern end of the rail line at WIM Subdivision milepost 47.0 at Bovill, ID. The transaction was to have been consummated on or after the September 4, 1996 effective date of the exemption.

This proceeding is related to *Richard B. Webb and Susan K. Lundy—Continuance in Control Exemption—Palouse River & Coulee City Railroad, Inc.*, STB Finance Docket No. 33042, wherein Richard B. Webb and Susan K. Lundy have concurrently filed a verified

¹ The ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803, which was enacted on December 29, 1995, and took effect on January 1, 1996, abolished the Interstate Commerce Commission and transferred certain functions to the Surface Transportation Board (Board). This notice relates to functions that are subject to Board jurisdiction pursuant to 49 U.S.C. 10901.